



NEWS RELEASE

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PRESIDENT CLINTON SIGNS DISASTER AID BILL FOR SMALL BUSINESS OWNERS

WASHINGTON – A \$15 million U.S. Small Business Administration (SBA) program will help small business owners in disaster-prone communities lessen the impact of floods, hurricanes, earthquakes and other natural disasters, SBA Administrator Aida Alvarez said today.

The Disaster Mitigation Pilot Program was created in legislation signed this week by President Clinton. The bill authorizes SBA to make low-interest loans of up to \$50,000 to small business owners beginning in October 1999.

“The cost of rebuilding after disasters continues to rise, and many small business owners never recover,” Alvarez said. “Now, these entrepreneurs will have an opportunity to protect their investment before a disaster strikes.”

Under the four-year pilot program, businesses located in one of the 118 communities participating in The Federal Emergency Management Agency’s (FEMA) “Project Impact” program would be eligible to apply for the loans. Project Impact is a FEMA initiative aimed at reducing the costs of disasters.

Small businesses that qualify may use the loan funds, for instance, to install fireproof roof shingles, hurricane shutters, or upgrade buildings to withstand tremors caused by earthquakes or high winds.

Since 1953, SBA has made over 237,000 disaster loans to business owners for more than \$9.5 billion. SBA also makes low-interest disaster loans to homeowners, renters and non-profit organizations.

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